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SUBJECT: IRISH SEE DOMESTIC POLITICAL DIFFICULTIES IN WTO
AGRICULTURE TALKS

REF: EU TRADE OFFICERS' E-MAIL CHAIN OF OCTOBER 25

¶11. (SBU) Summary: On October 25, high-ranking GOI officials told the Ambassador that Ireland could not afford to be more flexible in EU discussions on the WTO agricultural negotiations, given domestic political sensitivities with the farm community. The officials noted prior EU commitments not to tamper with the Common Agricultural Policy (CAP), and they cited political dangers in revisiting those commitments before Ireland's 2007 general elections. In separate discussions with Emboffs, other GOI officials acknowledged Ireland's potential gains from a Doha deal, particularly in the manufacturing and services sectors that now dominate the economy. They also, however, cited political sensitivities in the farm community, which had prompted recent strong statements from Prime Minister Ahern in defense of the CAP. Ireland's public position against further EU flexibility in the WTO agricultural negotiations is atypical, since the GOI prefers to stand behind EU consensus on divisive U.S.-EU issues. Ireland's stance is also unusual in view of the GOI's longstanding advocacy for developing countries and the immense benefits that would accrue to such countries from a successful Hong Kong ministerial. End summary.

The Ambassador's Discussions: Political Sensitivities

¶12. (SBU) Ireland cannot afford politically to be more flexible on the EU approach to the WTO agricultural negotiations, the Ambassador was told in separate conversations on October 25 with Minister for Enterprise, Trade, and Employment Micheal Martin, Secretary General for Foreign Affairs Dermot Gallagher, and Secretary General in the Department of the Taoiseach (Prime Minister) Dermot McCarthy. The officials adopted the uniform line that the GOI had previously promised the farm community that the Common Agricultural Policy (CAP) would not be revisited before 2013. The GOI had relied strongly on those promises to sell recent CAP reforms, and any reneging on those commitments would be politically explosive ahead of the 2007 general elections in Ireland. The officials noted that while Ireland's 50,000 agricultural workers and their families were a community in conspicuous economic decline, they formed a political constituency that the Government was reluctant to rile in the run-up to the 2007 vote. Minister Martin conceded that Ireland had huge potential benefits to reap from a successful Hong Kong ministerial, particularly as the economy now depended critically on trade and investment in the manufacturing and services sectors. He reiterated, however, that the politics of the situation seriously constrained Ireland's flexibility on the WTO agricultural negotiations.

Other GOI Officials: Again, Farm Sector Pressures

¶13. (SBU) On October 25, Pol/Econ Counselor and Econoff also met with officials in the Economic Policy Office of the Department of the Taoiseach. The officials noted that Post was "preaching to the converted" in highlighting Ireland's potential gains from a Doha deal, particularly in services and manufacturing. They acknowledged that the Celtic Tiger period had pushed Ireland well beyond its former status as an agriculture-dominated society and that farm interests now figured less significantly in the overall economy. They, however, reiterated points made by Ambassador's interlocutors that farmers were too important a political constituency to lose before the 2007 elections.

AmCham Plans

¶14. (SBU) Post has been in touch with the American Chamber of Commerce since October 21, asking the organization to help with outreach to the GOI. AmCham President Eoin O'Driscoll plans to deliver an address to the annual AmCham convention in Cork on October 27 that will highlight the need for balance in Ireland's approach to the WTO negotiations. His speech will stress that the more dominant sectors of the Irish economy have interests that should not be sacrificed to assuage agricultural concerns. (O'Driscoll was head of the Enterprise Strategy Group that drafted, on the GOI's behalf, a landmark report in 2004 on the future of the Irish economy, a piece that recommended increased reliance on the high-tech, knowledge-intensive sectors of the economy.)

Comment: An Unusual Stance for Ireland

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¶15. (SUB) Comment: Ireland's staunch public position against further EU concessions in the WTO agricultural negotiations is highly atypical. The Irish Government usually prefers to stand behind EU consensus on divisive U.S.-EU issues and to seek opportunities to act as a broker among Member States. With elections looming and France to hide behind, however, the Government is putting its political concerns about its economic interests and development goals. Public statements in defense of the CAP from Prime Minister Ahern and Agriculture Minister Coughlin reflect, in part, decades-old reluctance within the governing Fianna Fail party to upset the farm community, the party's traditional base of support. Moreover, the 19th century famine continues to make Ireland sensitive to increased dependence on foreign-sourced food. Prime Minister Ahern's strong statements also show his recent defiant mood on the CAP, which he displayed in a late September public row with Prime Minister Blair and the Financial Times over the level of EU income support for Irish farmers. An equally odd feature of Ireland's position is that the GOI has been a strong international advocate of developing countries, brandishing its renewed commitment at the September UN High-Level Event to reach 0.7 percent of GNP for overseas development assistance. This commitment has wide public support and was heralded by Bono and Bob Geldof, both Irish citizens. When Post, however, confronts Irish officials with economic estimates that a successful Doha Round could lift up to 300 million out of poverty in the developing world, they concede the point, but shrug, citing the political difficulties involved in confronting Irish farmers.

KENNY